Order Instituting Investigation on the Commission's Own Motion into Methodology for Economic Assessment of Transmission Projects.

Investigation 05-06-041 (Filed June 30, 2005)

NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES

In accordance with Rules 1.4 and 7.1 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") submits this notice of an oral ex parte communication.

On July 12, 2006, at Commission headquarters in San Francisco, Robert Kinosian of DRA met with Stephen St. Marie, advisor to Commissioner Bohn. Mr. Kinosian explained that DRA supports the proposed decision ("PD") approving general principles for the economic evaluation of transmission line projects (item 45 on the July 20 Commission meeting agenda). Mr. Kinosian expressed DRA's disagreement with the recommendation of the California Independent System Operator ("CAISO") to modify the PD to require that such analyses utilize the CAISO's model. There were no written materials involved in the communication.

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Copies of this notice may be obtained by contacting Sue Muniz by telephone at (415) 703-1858, or by e-mail at sam@cpuc.ca.gov.

Respectfully submitted,

/s/ MARION PELEO

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July 14, 2006